

IDEAS AT *Work*

COMPUTERS/HILLEL SEGAL

Saving used equipment a waste of space, value

Almost every office has a closet or storeroom filled with obsolete computer equipment. When it was new, it may have cost thousands or even tens of thousands of dollars. Today, it sits unused, gathering dust.

What should you do with it?

Unfortunately, the market value for most old computer equipment is not very high. Not only does brand new equipment perform better, but every year the prices for new equipment drop even further. If outdated equipment is more than five years old, many people simply assume that it's practically worthless and don't even try to sell it. Thus, it gets stored — out of sight, out of mind. "Maybe I'll use it someday," is the common rationalization.

If you think about it, however, simply putting old computer equipment in storage is counterproductive. It depreciates even further, provides absolutely no present utility or value, and wastes space. As much as it might hurt one's pride to accept only a few hundred dollars for the equipment, it's probably better than nothing. The illusion that you'll use it again someday is probably just that — an illusion.

Here are three methods to use in selling your old equipment:

✓ **Used computer stores.** Most metropolitan areas have one or more used computer stores that will either buy your equipment outright or accept it on consignment. Ask them how much they'll pay to simply take it off your hands. Three percent to 5 percent of the original price may still bring you several hundred dollars, even though it may hurt to accept such a small amount. If they sell it for you on consignment, expect to pay at least 30 percent of the sale price for their commission. Another disadvantage to consignment sales: It might sit in their store for six months or a year before being sold.

✓ **Classified advertising.** The classified section of almost every newspaper has a section for computer or electronic equipment. In

addition, many computer trade magazines have sections for used equipment ads. If you place an ad, you can usually get more than the store amount. It's wise to first visit a used computer store in any case, however, just to see what they say about the "book value" of the

equipment. This is frequently the fastest way to dispose of equipment, but a word of caution: Don't take personal checks.

✓ **Comp-Used telephone listing.** A company called Comp-Used in Wilton, Conn., has a computer buyer-seller matching service. Anyone with a touch-tone phone can call their

computer to hear recorded descriptions of equipment for sale in any one of about 20 categories. The number to dial is (203) 762-8677. You use the buttons on your phone to pick the category. The only charge to buyers is the long-distance telephone call. Sellers pay \$19.95 a month for a recorded message about their equipment. It's a marvelous concept, but there's no way to know how many people will use the service, asking for the category that lists your equipment and listening to your message. In answer to my question, the operator of Comp-Used replied that they only get "about a dozen" calls a day. I suspect that a lower-priced classified ad in the Sunday newspaper would get greater response.

Another alternative, which you may wish to discuss with your tax adviser, is to give the equipment to a charitable organization. In such case, the IRS allows you to deduct the "fair market value" of the equipment, as listed in books such as "The Brown Book," published by Brown Book Inc. of Oakland, Calif., or "Orion Blue Book" from Orion Research Corp. of Durango. The books usually can be viewed at used computer stores or libraries. In cases where the quoted amount is high and the likelihood of your finding a buyer quickly is small, this is a good way to proceed.

In any case, do something! Anything you do will probably be better than letting the equipment sit in your company storeroom.



Segal

Hillel Segal is an independent computer consultant who is author of the monthly Executive Computing Newsletter, published by the Association of Computer Users. He can be reached at ACU, P.O. Box 9003, Boulder.